

16-1140

MUNRO TOWNSHIP

CHEBOYGAN COUNTY

FINANCIAL STATEMENTS

RECEIVED
DEPT. OF TREASURY

3/04

✓ JUL - 6 2004

FOR THE YEAR ENDING

MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Munro Township	County Cheboygan
Audit Date March 31, 2004	Opinion Date June 25, 2004	Date Accountant Report Submitted to State: June 30, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	x		
Reports on individual federal financial assistance programs (program audits).			x
Single Audit Reports (ASLGU).			x

Certified Public Accountant (Firm Name) Daniel R. Nieland, C.P.A.			
Street Address 201 South Main Street	City Cheboygan	State MI	ZIP 49721
Accountant Signature <i>Daniel R. Nieland C.P.A.</i>			

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DANIEL R. NIELAND

CERTIFIED PUBLIC ACCOUNTANT

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AND
MICHIGAN ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

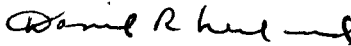
Township Board
Munro Township
Cheboygan County
Cheboygan, Michigan 49721

I have audited the accompanying general purpose financial statements of Munro Township, Cheboygan County, as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these general purpose financial statements based on our audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Munro Township, Cheboygan County, as of March 31, 2004, and results of its operations for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Munro Township, Cheboygan County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.


CERTIFIED PUBLIC ACCOUNTANT

June 25, 2004
Cheboygan, Michigan 49721

GENERAL PURPOSE FINANCIAL STATEMENTS

MUNRO TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	<u>Governmental Fund Types</u>		<u>Fiduciary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Trust & Agency</u>
ASSETS:			
Cash and Cash Equivalents	\$151,099	\$ 12,923	\$ 21
Taxes Receivable	3,006		
TOTAL ASSETS	<u>\$154,105</u>	<u>\$ 12,923</u>	<u>\$ 21</u>
LIABILITIES:			
Accounts Payable	\$ 110	\$	\$
Due to Other Governmental Units			21
TOTAL LIABILITIES	<u>110</u>	<u>-0-</u>	<u>21</u>
FUND EQUITY:			
Fund Balance:			
Unreserved, Undesignated	<u>153,995</u>	<u>\$ 12,923</u>	
TOTAL FUND EQUITY	<u>153,995</u>	<u>12,923</u>	<u>-0-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$154,105</u>	<u>\$ 12,923</u>	<u>\$ 21</u>

See notes to the financial statements.

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MUNRO TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 2004

Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	Totals (Memorandum Only)
REVENUES:			
Taxes	\$ 43,750	\$	\$ 43,750
State Shared Revenues	48,046	605	48,651
Charges for Services	2,890	5,849	8,739
Interest and Miscellaneous	1,702	90	1,792
Other	<u>500</u>	<u>500</u>	<u>500</u>
Total Revenues	<u>96,388</u>	<u>\$ 7,044</u>	<u>103,422</u>
EXPENDITURES:			
Legislative	10,714		10,714
General Government	39,284		39,284
Public Safety	24,884	344	25,228
Public Works	<u>3,079</u>	<u>5,895</u>	<u>8,974</u>
Total Expenditures	<u>77,961</u>	<u>6,239</u>	<u>84,200</u>
EXCESS OF (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	18,427	805	19,232
FUND BALANCES - BEGINNING OF YEAR	<u>135,568</u>	<u>12,118</u>	<u>147,686</u>
FUND BALANCES - END OF YEAR	<u>\$153,995</u>	<u>\$ 12,923</u>	<u>\$166,918</u>

MUNRO TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED MARCH 31, 2004

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:						
Taxes	\$ 48,422	\$ 43,750	\$ (4,672)	\$	\$	\$
State Shared Revenue	46,944	48,046	1,102	591	605	14
Charges for Services	101	2,890	2,789	900	5,849	4,949
Interest	400	1,702	1,302	150	90	(60)
Other				100	500	400
Total Revenues	<u>95,867</u>	<u>96,388</u>	<u>521</u>	<u>1,741</u>	<u>7,044</u>	<u>5,303</u>
EXPENDITURES:						
Legislative	13,350	10,714	2,636			
General Government	53,544	39,284	14,260			
Public Safety	30,806	24,884	5,922	517	344	173
Public Works	<u>29,500</u>	<u>3,079</u>	<u>26,421</u>	<u>1,425</u>	<u>5,895</u>	<u>(4,470)</u>
Total Expenditures	<u>127,200</u>	<u>77,961</u>	<u>49,239</u>	<u>1,942</u>	<u>6,239</u>	<u>(4,297)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(31,333)</u>	18,427	<u>\$ 49,760</u>	<u>\$ (201)</u>	805	<u>\$ 1,006</u>
FUND BALANCES - BEGINNING OF YEAR		<u>135,678</u>			<u>12,118</u>	
FUND BALANCES - END OF YEAR		<u>\$154,105</u>			<u>\$ 12,923</u>	

MUNRO TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE A - FINANCIAL REPORTING ENTITY

Munro Township is an unincorporated Township, which operates under a Supervisor Board form of government. The Township provides the following services: public safety, highways and streets, sanitation, public improvements and general administrative services.

The Township has considered all potential component units in evaluating how to define the Township for financial reporting purposes. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement 14 of the Government Accounting Standards Board (GASB), The Financial Reporting Entity. The basic criteria includes the appointment of a voting majority of the governing board of the unit; legal separation of the Township and the component unit, fiscal independence of the unit, whether exclusion of the unit would make the Township's financial statements misleading, and whether there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township.

The financial reporting entity of Munro Township includes all funds and accounts of the Township.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

GOVERNMENT FUNDS:

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

MUNRO TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS:

Trust and Agency Funds

Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS:

General Fixed Assets Account Group

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures and capitalized at cost in the General Fixed Assets Group of Accounts. No depreciation has been provided on general fixed assets.

Basis of Accounting

The financial activity of the Trust and Agency Funds is limited to the collection of amounts which are subsequently paid to third parties, and accordingly, are limited to cash transactions. All governmental funds are accounted for using the modified accrual basis of accounting. In such a method and the accrual basis of accounting is modified as follows:

- a. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31, and the related property taxes become a lien on December 1, of the following year. These taxes are due on February 14, and are added to the County tax rolls after February 28.

The delinquent real property taxes of the Township are purchased by Cheboygan County. The County intends to sell bonds through the State Bond Bank, the proceeds of which will be used to pay the Township for the property taxes. It is expected that this will occur in the year 2004. These taxes have been recorded as revenue of the current year.

- b. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- c. Normally there is no division of expenditures between years by the recording of prepaid expenses.

MUNRO TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

All short-term investments are stated at cost.

Interfund Transactions

During the course of normal operations, the Township has various transactions between funds, including expenditures and transfers of resources to provide services. The accompanying financial statements generally reflect such transactions as operating transfers.

Vacation and Sick Leave

The Township has no liability for accumulated vacation or sick leave.

Budgets

All governmental funds are under formal budgetary control. Budgets shown in the financial statements as "GAAP Basis" are adopted on a basis consistent with generally accepted accounting principles (GAAP) and are not significantly different from the modified accrual basis used to reflect actual results, and consist only of those amounts contained in the formal budget approved and amended by the Township Board. Budgets are adopted on the activity level and control is exercised on that level.

NOTE C - CHANGES IN GENERAL FIXED ASSETS

The following summaries are the changes in the general fixed assets account group for the year ended March 31, 2004.

	<u>Balance</u> <u>4-01-03</u>	<u>Additions</u>	<u>Balance</u> <u>3-31-04</u>
Land Improvements	\$ 9,766	\$	\$ 9,766
Buildings and Improvements	254,196		254,196
Machinery and Equipment	<u>22,688</u>	<u>5,758</u>	<u>28,446</u>
	<u>\$286,650</u>	<u>\$ 5,758</u>	<u>\$292,408</u>
Investment In General Fixed Assets	<u>\$286,650</u>	<u>\$ 5,758</u>	<u>\$292,408</u>

NOTE D - COMMON CASH ACCOUNTS AND SHORT-TERM INVESTMENTS

Cash equity in the common bank account of the Township as utilized by the various funds is as follows:

	<u>Cash</u>
General	\$151,099
Cemetery	10,806
Liquor	1,638
Road	<u>479</u>
	<u>\$164,022</u>

MUNRO TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE D - COMMON CASH ACCOUNTS AND SHORT-TERM INVESTMENTS (CONTINUED)

These deposits and interest payment accounts, are with local financial institutions. All accounts are in the name of the Township. Interest is recorded when deposits mature or is credited to the applicable account.

Michigan Compiled Laws Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government or Federal Agency obligation repurchase agreements; banker's acceptance of United States banks; mutual funds composed of investment vehicles which are legal or direct investment by local units of government in Michigan; and commercial paper rated by two standard rating agencies within the three highest classifications; which mature no more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion Number 6168 states that public funds may not be deposited in the financial institutions located in states other than Michigan.

The Township deposits are in accordance with statutory authority. The Governmental Accounting Standards Board (GASB) Statement Number 3 risk disclosures for the Townships cash deposits are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>
Insurance (FDIC)	\$100,000
Uninsured	<u>64,022</u>
Total	<u>\$164,022</u>

NOTE E - IMPLEMENTATION OF GASB STATEMENT NUMBER 34

The Governmental Accounting Standards Board (GASB) issued Statement No. 34 in July 1999. This statement requires basic changes in financial statements. The implementation date for the Township of Munro is for periods beginning after June 14, 2004. Further, the Michigan Committee on Governmental Accounting and Auditing Statement No. 7 gives local units the option not to adopt GASB NO. 34 in its entirety. The Township will implement for its next required audit.

GENERAL FUND

MUNRO TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED REVENUES - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>
REVENUES:		
Taxes:		
Current Property Tax	\$ 38,417	\$ 33,780
Property Tax Administration Fees	10,000	9,813
Penalty and Interest	<u>5</u>	<u>157</u>
	48,422	43,750
Share Shared:		
Sales and Use Tax	46,000	47,101
Other	<u>944</u>	<u>945</u>
	46,944	48,046
Interest	400	1,702
Rentals, Refunds & Rebates and Miscellaneous	<u>101</u>	<u>2,890</u>
TOTAL REVENUES	<u>\$ 95,867</u>	<u>\$ 96,388</u>

MUNRO TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES:		
Legislative:		
Township Board:		
Wages	\$ 2,600	\$ 1,960
Conferences and Workshops	1,300	200
Supplies	100	-0-
Printing and Publishing	800	681
Memberships and Dues	750	663
Insurance	3,700	4,214
Retirement	2,500	2,279
Miscellaneous	500	217
Legal	1,000	500
Transportation	<u>100</u>	<u>-0-</u>
Total Legislative	<u>13,350</u>	<u>10,714</u>
General Government:		
Executive:		
Salary - Supervisor	3,500	3,500
Transportation	500	500
Printing and Publishing	2,100	1,627
Rent	600	600
Miscellaneous	50	50
Convention Expenses	750	492
Office Supplies	200	-0-
Capital Outlay	<u>3,000</u>	<u>2,226</u>
	10,700	8,995
Assessor:		
Salary	<u>8,304</u>	<u>8,304</u>
	8,304	8,304
Clerk:		
Salary	6,445	6,445
Office Supplies	500	103
Transportation	300	300
Rent	600	600
Capital Outlay	<u>500</u>	<u>200</u>
	8,345	7,648
Board of Review:		
Wages	750	558
Other	<u>100</u>	<u>-0-</u>
	850	558

See notes to the financial statements.

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MUNRO TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES:		
General Government (Continued):		
Treasurer:		
Salary	\$ 8,445	\$ 8,445
Office Supplies	1,500	1,250
Transportation	300	300
Office Rent	600	600
Miscellaneous	<u>300</u>	<u>300</u>
	11,145	10,895
Township Hall:		
Salaries and Wages	600	-0-
Contract Services	500	318
Operating Supplies	100	15
Utilities	1,000	266
Capital Outlay	<u>8,000</u>	<u>-0-</u>
	10,200	599
Cemetery:		
Wages	1,500	500
Supplies	100	85
Contracted Services	2,000	1,700
Repairs and Maintenance	<u>400</u>	<u>-0-</u>
	4,000	2,285
Total General Government	53,544	39,284
Public Safety:		
Fire Department:		
Contracted Services	25,000	20,717
Wages	800	570
Capital Outlay	3,206	3,332
Supplies	100	-0-
Utilities	<u>1,700</u>	<u>265</u>
Total Public Safety	30,806	24,884
Public Works:		
Sanitation:		
Contracted Services	<u>4,500</u>	<u>3,079</u>
	4,500	3,079

See notes to the financial statements.

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MUNRO TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED REVENUE
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>
EXPENDITURES: (CONTINUED)		
Road and Streets:		
Maintenance	<u>\$ 25,000</u>	<u>\$ -0-</u>
	<u>25,000</u>	<u>-0-</u>
Total Public Works	<u>60,306</u>	<u>27,963</u>
TOTAL EXPENDITURES	<u><u>\$127,200</u></u>	<u><u>\$ 77,961</u></u>

SPECIAL REVENUE FUNDS

MUNRO TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004

	<u>ASSETS</u>			
		Liquor Law		
	<u>Cemetery</u>	<u>Enforcement</u>	<u>Road</u>	<u>Total</u>
ASSETS:				
Cash	\$ 10,806	\$ 1,638	\$ 479	\$ 12,923
TOTAL ASSETS	<u>\$ 10,806</u>	<u>\$ 1,638</u>	<u>\$ 479</u>	<u>\$ 12,923</u>
UNRESERVED:				
Undesignated	<u>\$ 10,806</u>	<u>\$ 1,638</u>	<u>\$ 479</u>	<u>\$ 12,923</u>

MUNRO TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2004

	<u>Cemetery</u>	<u>Liquor Law Enforcement</u>	<u>Road</u>	<u>Total</u>
REVENUES:				
State Shared Revenue \$		\$ 605	\$	\$ 605
Charges for Services			5,849	5,849
Interest	90			90
Other	<u>500</u>	<u></u>	<u></u>	<u>500</u>
Total Revenues	590	605	5,849	7,044
EXPENDITURES:				
Public Safety		344		344
Public Works	<u></u>	<u></u>	<u>5,895</u>	<u>5,895</u>
Total Expenditures	-0-	344	5,895	6,239
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	590	261	(46)	805
FUND BALANCES -				
BEGINNING OF YEAR	<u>10,216</u>	<u>1,377</u>	<u>525</u>	<u>12,118</u>
FUND BALANCES -				
END OF YEAR	<u>\$ 10,806</u>	<u>\$ 1,638</u>	<u>\$ 479</u>	<u>\$ 12,923</u>

See notes to the financial statements.

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CEMETERY MEMORIAL FUND

MUNRO TOWNSHIP
CEMETERY MEMORIAL FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash	\$ 10,806
	<u>\$ 10,806</u>

FUND EQUITY

Unreserved: Undesignated	<u>\$ 10,806</u>
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MUNRO TOWNSHIP
CEMETERY MEMORIAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDING MARCH 31, 2004

REVENUES:

Sale of Lots	\$ 300
Donations	200
Interest	<u>90</u>
Total Revenues	590

EXPENDITURES:

Public Works	<u>-0-</u>
Total Expenditures	<u>-0-</u>

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	590
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FUND BALANCES - APRIL 1, 2003	<u>10,216</u>
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FUND BALANCES - MARCH 31, 2004	<u><u>\$ 10,806</u></u>
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LIQUOR LAW ENFORCEMENT FUND

MUNRO TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash \$ 1,638

\$ 1,638

FUND EQUITY

Unreserved:
Undesignated

\$ 1,638

See notes to the financial statements.

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MUNRO TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDING MARCH 31, 2004

REVENUE:	
State Shared Revenue	<u>\$ 605</u>
Total Revenue	605
EXPENDITURES:	
Public Safety:	
Salaries and Wages	320
Payroll Taxes	<u>24</u>
Total Expenditures	<u>344</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	261
FUND BALANCE APRIL 1, 2003	<u>1,377</u>
FUND BALANCE MARCH 31, 2004	<u><u>\$ 1,638</u></u>

See notes to the financial statements.

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ROAD FUND

MUNRO TOWNSHIP
ROAD FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash \$ 479

\$ 479

FUND EQUITY

Unreserved:
Undesignated

\$ 479

See notes to the financial statements.

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MUNRO TOWNSHIP
ROAD FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE
YEAR ENDING MARCH 31, 2004

REVENUE:	
Charges for Services	<u>\$ 5,849</u>
Total Revenue	5,849
EXPENDITURES:	
Public Works:	
Contracted Services	<u>5,895</u>
Total Expenditures	<u>5,895</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(46)
FUND BALANCE APRIL 1, 2003	<u>525</u>
FUND BALANCE MARCH 31, 2004	<u><u>\$ 479</u></u>

FIDUCIARY FUND TYPES

TRUST AND AGENCY FUND

MUNRO TOWNSHIP
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CURRENT TAX COLLECTION FUND
YEAR ENDED MARCH 31, 2004

ASSETS

	<u>Balance</u> <u>4-01-03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3-31-04</u>
Cash	\$ 21	\$998,716	\$998,716	\$ 21

LIABILITIES

Due To Other Funds	\$ 21	\$ 38,849	\$ 38,849	\$ 21
Due To County		421,392	421,392	
Due To Library		18,250	18,250	
Due Pellston Schools		139,422	139,422	
Due Cheboygan Schools		355,472	355,472	
Due Char-Em Int. Schools		22,361	22,361	
Due Other Refunds		2,970	2,970	
	<u>\$ 21</u>	<u>\$998,716</u>	<u>\$998,716</u>	<u>\$ 21</u>

OTHER

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PUBLIC ACCOUNTANTS
AND
MICHIGAN ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

June 25, 2004

Township Board
Munro Township
Cheboygan County
Cheboygan, Michigan 49721

Re: Comments and Recommendations

I have examined the general purpose financial statements of Munro Township, Cheboygan County, for the year ended March 31, 2004, and have issued our report thereon dated June 25, 2004.

However, I would like to make the following recommendations:

- Budget amounts should be reviewed for possible amendments. There were three items showing unfavorable variances. The budget does reflect an amount for contingency; however, this is not a standard line item expenditure and amounts must be transferred to avoid unfavorable variance.
- General Fund monies are currently accumulated in a tax IMMA account. The funds should be transferred to a general fund savings. The tax savings should be a zero balance after collection and disbursements have occurred.
- For your next required audit, for the year ending March 31, 2006, we will implement GASB Statement No. 34. We will discuss in advance the effects and necessary work required by the Board to provide "Management Discussion and Analysis."

I would like to thank the Clerk and Treasurer for their assistance during the audit. I look forward to working with them in the future.

Very Truly Yours,

Daniel R. Nieland
Daniel R. Nieland, C.P.A.

DRN/jb